

USAID Strategic Framework Highlights

In 1995 USAID developed a strategic framework that links the Agency's five goals and 19 objectives to our mission of sustainable development and to several national interests of the United States. The framework provides our Missions and offices with a tool they can use to focus their resources on a limited number of uniform objectives.

USAID provided assistance in 106 countries: 39 **sustainable development** programs, 33 programs facilitating **transition** from political and other crises, 17 **other** programs addressing more limited goals, and 17 programs to be **closed** in 1995 or 1996. The report describes results from 93 programs—all of the above except 12 "other" programs without strategic plans and one "closeout" program that is a regional, not a country, program.

The following **national interests** are linked with the Agency mission and are considered when identifying foreign assistance recipients: promoting U.S. economic security, protecting the U.S. against specific global dangers, enhancing prospects for peace and stability in specific countries, and preventing humanitarian and other complex crises.

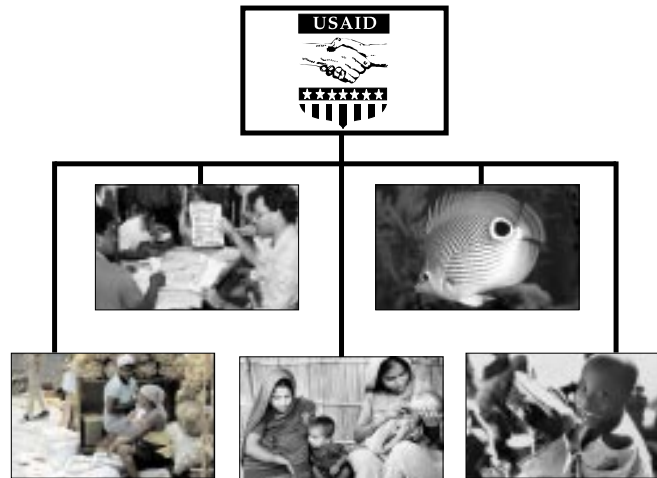
Eighty-five percent of the country programs contribute to the economic growth goal, 75 percent to the population and health goal, 70 percent to the democracy goal, 70 percent to the environment goal.

Over the past four years, the USAID budget has averaged \$6 billion a year (excluding cash transfers to Israel and Turkey), with the following average allocations:

- \$3 billion a year has been budgeted for economic growth programs, with the proportion of the total budget dropping from 57 percent to 44 percent from 1992 to 1995
- \$1 billion a year for population and health programs, with the proportion rising from 15 percent to 19 percent during the same period
- \$550 million a year for environment programs—8 percent to 13 percent
- \$330 million a year for democracy programs—4 percent to 8 percent
- \$1 billion a year for humanitarian assistance—averaging 20 percent.

All 93 country programs contributing to this report have identified strategic objectives and their performance indicators. However, collecting and reporting of actual data has been slower than anticipated. In 1995 the field offices reported sufficient data to assess performance on fewer than half of their strategic objectives. Fully realizing the potential of the performance measurement system as a management tool requires considerably more performance data and this will be a major challenge for 1996.

Several important aspects of USAID's work contribute across all Agency goals. These issues include women in development, participation and partnership, participant training, food security, and research. Since these issues are not easily presented in chapters organized by the Agency framework, they are highlighted at the end of the first chapter.



1. The Agency's Strategic Framework

We have taken important steps to create an agency that is increasingly results-oriented, efficient, and able to advance an integrated, strategic approach to development.

—J. Brian Atwood (1995)¹

Among the steps the Agency has taken are:

- We have developed a simple strategic framework that articulates the Agency's *Strategies for Sustainable Development* and shows the links between our programs and the national interests of the United States.
- Our resources are being concentrated in fewer countries. In 1995, 11 country programs were closed.
- The Agency has reengineered the way we conduct business. The four core values of customer focus, results orientation, teamwork, and empowerment influence all that we do to better manage for results.

The results of these changes are beginning to show in the countries where we work. Many of them are described in this report.

USAID's mission is to promote sustainable development—economic and social growth that does not exhaust the resources of a country; that respects and safeguards the economic, cultural, and natural environment; that creates opportunities for enterprises and incomes to grow; and that builds effective institutions and empowers citizens. Our programs address key interrelated threats to sustainable development: poverty and food insecurity, lack of democratic institutions and processes, rapid population growth and poor health, environmental degradation, and natural and man-made disasters.

¹ J. Brian Atwood, 1995. "Letter from the Administrator." *Toward the New USAID: An NPR Progress Report*. Washington: Agency for International Development.

During 1995,² USAID moved aggressively to improve its management for results and implement the recommendations of the National Performance Review. Three years ago USAID became a reinvention laboratory under the National Performance Review, one of only two agencies so named. As a reinvention laboratory the Agency adopted three principal objectives: focusing our programs on fewer, more attainable objectives; simplifying the Agency's organization and empowering its staff; and redesigning and simplifying (reengineering) the ways we do our business. Progress made toward these objectives has become increasingly evident in the past year.

This annual performance report deals primarily with the first objective, the results of concentrating our programs on fewer goals and objectives. The Agency's programs are now directed toward the five development goals described in *Strategies for Sustainable Development*, published in 1994. Five of the seven chapters describe the contributions that our programs are making toward the Agency's five goals. The final chapter records our progress in reorganizing the Agency and reengineering the way we work and manage for results.

In 1995, USAID provided assistance in 106 countries.³ Eleven Missions or offices were closed in 1995 either because the countries had graduated from needing assistance or because local conditions had rendered assistance ineffective. This continued the consolidation of our programs, which began in 1994 when five Missions were closed. Our country programs are predominantly of four types:

1. *Sustainable development programs*—those in which USAID provides an integrated package of assistance addressing most Agency goals. Program staff and development partners and their customers consider country needs related to the goals. They iden-

tify strategic objectives that can be reached in 5–8 years with the resources planned for the program. There were 39 sustainable development programs in 1995.

2. *Transitional programs*—programs in countries that have recently experienced a national crisis, a natural disaster, or significant political transition and where timely assistance is needed to reinforce institutions and national order. There are 33 of these programs.

3. *Close-out programs*—Programs that will be closed in 1995 or 1996. There are 17 programs in this group.

4. *“Other” programs*—programs in countries where USAID's presence is limited but where assistance to nongovernmental organizations (NGOs) may ease the emergence of a civil society, help alleviate repression, meet basic humanitarian needs, enhance food security, or influence a development problem with regional or global implications. In these countries USAID may operate from a central or regional base. There are 17 programs in this group.

The location of the programs is shown on map 1.1. The numbers above do not include the 16 regional and central Bureau programs that have developed strategic plans.

This report is based primarily on results taken from the strategic plans and performance reports of 93 country-based programs. Of these, 39 are sustainable development programs, 33 are transition programs, 16 are designated for closeout, and 5 are “other” country programs. All have a strategic plan covering five years. Their program performance reports for 1995 describe the progress they are making toward their objectives. Each chapter of this report draws from these performance reports, from reports of programs managed by central Bureaus and, where appropriate, lessons learned from evaluations, special studies, and reports of programs obtained directly from field staff.

² This report covers the results of USAID programs reported in fiscal year 1995: October 1, 1994, through September 30, 1995.

³ Appendix A contains the list and maps, organized by type of program, of countries in which USAID provided assistance in 1995.

The Agency's Strategic Framework, 1995

The framework shows the development changes we encourage in the countries where we provide assistance. It is a hierarchy of goals, objectives, and program strategies that illustrates the links between⁴

- The Agency's mission and the national interests USAID serves by fostering sustainable development
- The Agency's objectives and goals and the Agency's mission
- The strategic objectives of our programs and the Agency's objectives, goals, and mission

The principal components of the framework—national interest, mission, goals, and objectives—are summarized below:

The following national interests are considered in identifying foreign assistance recipients (see figure 1.1):

1. *Promoting U.S. economic security* by fostering a sound policy-enabling environment and promoting sustainable economic growth in developing countries. This creates markets abroad for U.S. goods and jobs for American citizens.

2. *Protecting the U.S. against specific global dangers.* The dangers include rapid population growth, global climate change, biodiversity loss, and spread of the AIDS epidemic. These all directly threaten the well-being of American citizens.

3. *Enhancing prospects for peace and stability* in areas such as Eastern Europe, the former Soviet Union, the Middle East, and Central America and the Caribbean. In these areas the outbreak of war or internal conflict would detrimentally affect U.S. security.

4. *Preventing humanitarian and other complex crises.* Such crises require high-cost peacekeeping and emergency relief opera-

tions and lead to uncontrolled refugee flows that threaten U.S. borders.

By addressing the Agency's mission through an integrated set of strategies, the Agency is making a unique contribution to our national interests. USAID's programs are helping boost economic growth and per capita income in developing countries around the globe. This growth is having a dramatic effect on U.S. exports and the jobs those exports generate in the United States. Developing countries are the fastest growing markets for U.S. exports. Over the last five years, U.S. exports to the developing world have grown at the phenomenal rate of \$20 billion a year. This production translates into more than three million jobs in the United States.⁵

But further opportunities to expand into new markets cannot materialize if people are too poor to afford American goods and services. The possibilities for export growth are shown clearly in Latin America, the region with which we have the closest economic ties. In 1993 each Costa Rican produced, on average, more than \$2,300 of goods and services and bought \$560 worth of U.S. exports. In that same year Nicaraguans produced \$330 in gross national product per capita and spent only \$45, on average, on goods and services from the United States. The potential for significant growth in exports to other regions—such as Southeast Asia, with more than five times the population of Latin America and the Caribbean—are also very real.

Many less tangible benefits from USAID's programs also accrue to the United States. Box 1.1 describes how Baltimore profited when local officials studied our programs in Kenya and Jamaica.

The Agency's mission of sustainable development is characterized by "economic and social growth that does not exhaust the resources of a host country; that respects and safeguards the economic, cultural, and natural environment; that creates many incomes and chains of enterprises; that is nurtured by

⁴ See Appendix B for more details and a conceptual description of the Agency's Strategic Framework.

⁵ Agency for International Development. 1995. *USAID: In the National Interest*. Washington: Bureau for Legislative and Public Affairs.

Box 1.1 Baltimore Takes a Cue From Kenya, Jamaica

When Baltimore city officials visited USAID programs in Kenya and Jamaica last year, they returned flush with ideas on how to make the Monumental City run better.

As a result of the Agency's Lessons Without Borders Program, Baltimore city health and economic development officials learned some new ideas about immunization, family planning, and microenterprise. The city recently immunized 35,000 children using methods the officials observed in our programs in Kenya; the Healthy Start program has adopted a new outreach policy to incorporate more men in their family planning programs; and Women Entrepreneurs of Baltimore recently began the first peer-lending program modeled after "village bank" microloan programs.

an enabling policy environment; and that builds indigenous institutions that involve and empower the citizenry."⁶

In the countries the Agency assists, threats to sustainable development are many. They include poverty, new diseases, environmental damage, absence of democracy, population growth and rapid urbanization, and lack of education and skills to participate in a modern society. We have identified five principal goals, which if achieved, would go a long way toward ensuring sustained development for most countries. They are

- Broad-based economic growth encouraged
- Sustainable democracies built
- World population stabilized and human health protected in a sustainable fashion
- Environment managed for long-term sustainability

⁶ *Strategies for Sustainable Development*. 1994. Washington: Agency for International Development.

⁷ The humanitarian assistance programs are not included in this analysis because the Agency goals and objectives in this sector were not specified until late in the year. The field offices did not have these goals and objectives when they revised their strategic plans and submitted their performance reports for 1995.

- Lives saved, suffering reduced, and development potential reinforced after a man-made crisis or natural disaster.

The Agency has identified 19 **objectives** that contribute to the Agency's goals (see figure 1.2). They are described in more detail in later chapters.

Distribution of Programs and Budget Across Agency Goals

The Agency's Center for Development Information and Evaluation analyzed the strategic plans of 93 country programs in terms of Agency goals and objectives.⁷ Sometimes a strategic objective was linked to more than one Agency objective when it made significant contributions to both. For example, a program building the capability of local NGOs to lobby for changes in environmental policies may contribute to both an Agency environmental objective and a democratic objective, such as strengthening civil society. The result of this categorization is shown in figure 1.2.

Eighty-five percent of the country programs contribute to the economic growth goal, about 75 percent address population and health, and nearly 70 percent apply to both democracy and the environment. Most countries have programs that address four of the sustainable development goals.

Since 1992, funds administered by USAID have totaled almost \$25 billion, excluding cash transfers of about \$5.2 billion to Israel and Turkey (see table 1.1). Of these funds, half have been directed at economic growth, a fifth toward humanitarian assistance, 17 percent toward population and health, 9 percent for protecting the environment, and 5 percent for building democracies. When we look at the changes from 1992

Table 1.1 Amount and Percent of USAID Budget Obligated to Each Agency Goal: 1992-95^a
(\$000,000s)

Fiscal Year	Economic Growth		Population/Health		Environment		Democracy		Humanitarian Assistance		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
1992	3,238	57	869	15	476	8	225	4	884	16	5,692	100
1993	2,820	49	1,000	18	477	8	309	5	1,094	19	5,700	100
1994	3,187	46	1,050	15	478	7	371	5	2,036	29	7,122	100
1995	2,734	44	1,208	19	799	13	432	7	1,028	17	6,201	100
Total	11,979	49	4,127	17	2,230	9	1,337	5	5,042	20	24,715	100

^a Excludes cash transfers to Israel, Turkey and for the South Pacific Tuna Treaty (totaling \$5.2 billion).

Totals do not include FY 1995 recessions from the DA, ESF, SAI and NIS accounts.

through 1995 (see figures 1.3 and 1.4), we note

1. The total budget has risen from \$5.7 billion in 1992 to \$6.2 billion in 1995, an increase of nearly 9 percent.

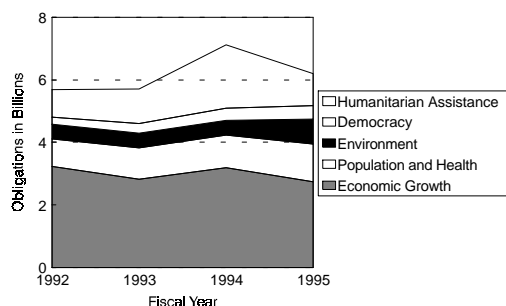
2. The proportion allocated to economic growth has dropped from 57 percent to 44 percent of the annual budget. The proportions allocated to population and health have risen from 15 percent to 19 percent; to the environment, from 8 percent to 13 percent; and to democracy, from 4 percent to 7 percent, with almost all of the increases taking place in 1995. The proportion for humanitarian assistance rose from 16 percent to 29 percent during 1992-94, because of an additional \$1

billion allocated to African Disaster Relief in response to the Rwanda crisis. By 1995 it had dropped back to 17 percent.

A review of just the Development Assistance account and the Development Fund for Africa reveals a different pattern, however (see figure 1.5). These funds are directed primarily at our sustainable development goals. They finance activities that attack the primary causes of underdevelopment in a particular country in concert with the host government and its citizens. We note:

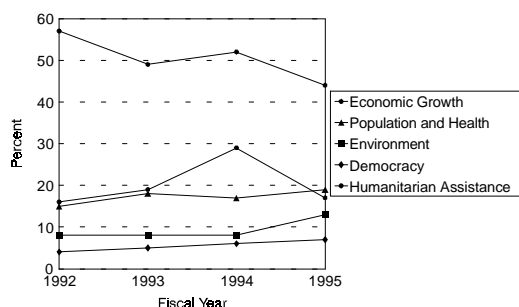
1. From 1992 through 1995 the total of these accounts rose only 5 percent, from \$2.17 billion to \$2.29 billion.

Figure 1.3 Amount of USAID Budget Obligated to Each Agency Goal: 1992-1995^a



^a Excludes cash transfers to Israel, Turkey and for the South Pacific Tuna Treaty (totaling \$5.2 billion). Totals do not include FY 1995 recessions from the DA, ESF, SAI and NIS accounts.

Figure 1.4 Proportion of USAID Budget Obligated to Each Agency Goal: 1992-1995^a



^a Excludes cash transfers to Israel, Turkey and for the South Pacific Tuna Treaty (totaling \$5.2 billion). Totals do not include FY 1995 recessions from the DA, ESF, SAI and NIS accounts.

2. The proportion of the budget for economic growth dropped from 49 percent to 35 percent (\$1.2 billion to \$800 million) whereas the proportion allocated for population and health increased from 34 percent to 41 percent (\$750 million to \$927 million).

3. Both the obligations and proportions going to environmental and democracy programs also rose as proportions of the total during 1992–95. For environment the increase from \$237 million to \$379 million is an increase in proportion from 11 percent to 17 percent. The figures for democracy: from \$93 million to \$171 million, and from 4 percent to 8 percent of the total.

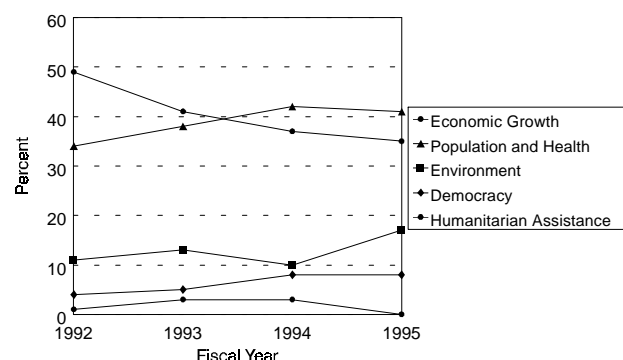
Strategic Planning and Performance Measurement

Most Missions have been planning strategically for several years, especially those in the Africa, Latin America and Caribbean, and Asia and Near East Bureaus. Starting in 1994 the Europe and New Independent States Bureau developed a separate but conceptually compatible system for monitoring and measuring results in response to its unique program and management setting.

All 93 country programs contributing to this report have identified their strategic objectives. However, collection and reporting of performance data has been slower than anticipated. Much of this delay occurred because some Bureaus adopted strategic planning and the results-tracking system later than others. Part is due to programs' adopting new strategic objectives or amending existing ones to conform with Strategies for Sustainable Development.

Though the following chapters give examples of very substantial individual results, data in the system are as yet insufficient for the Agency to make a comprehensive assessment of its programs. Fully realizing the potential of the performance measurement

Figure 1.5 Proportion of DA and DFA Accounts Obligated to Each Agency Goal: 1992-1995^a



^aDA and DFA are the Development Assistance account and Development Fund for Africa accounts.

system as a management tool requires reports of performance on 70–80 percent of our strategic objectives, across all sectors. At present we have 50 percent coverage in only one of our five goal areas. In this report we supplement the performance data with evaluation and case-study findings to provide a fuller picture of the impact of our programs. But the two data sources are not interchangeable; the Agency requires both to manage for results (see box 1.2)

Cross-Cutting Issues

Several important aspects of USAID's work contribute across all Agency goals. These issues include women in development, participation and partnership, participant training, food security, and research. Since these issues are not always obvious in chapters organized by Agency goals and objectives, they are highlighted here.

Women in Development

Because of the important contributions women make to national economies, as well as their relative impoverishment, effective development strategies must take into account the situation of women. Half the world's population are women, yet women do not have equal access to land, credit, technology, education, employment, and political

Box 1.2 Performance Measurement and Evaluation: Both Are Required to Report Results

In writing this report, the authors encountered uncertainty about the evolving roles of the Agency's performance measurement and evaluation systems. One does not replace the other. Both are required to ensure that resources are deployed most effectively toward Agency goals and mission. They are distinct but complementary ways of obtaining information for decisions.

Managers use performance measurement to track results. The Administrator and other stakeholders, through the Government Performance and Results Act, will use performance measurement to assess how well the Agency is performing its mission. The core of the system is a clearly defined hierarchy of objectives; it is derived from development theory and practical experience. A limited set of performance indicators for each objective is measured to assess progress toward that objective. Performance measurement answers questions about *whether* and *if*—whether results are being achieved on schedule and at cost, and if expectations are being met. Performance measures provide clear insights about where more in-depth evaluations should be done.

Evaluations answer managers' questions about *how* and *why* results are, or are not, being achieved. Evaluations can examine both intended and unintended results and more complex issues such as sustainability. They enable us to go far beyond performance measurement to examine and describe the fuller effects of our activities. Performance measures are useful in evaluation, but they provide only a portion of the information required for impact assessment and management decisions.

To analyze results we need both performance measures and evaluations. These are the integral parts of an effective results management system. Shortly USAID will have a broad base of performance data regarding all its programs. We can use this information to plan our evaluations more strategically—which in turn will improve our performance measures.

power, especially in developing and transitional countries. Their inability to participate fully impedes the overall development of their nations. USAID is committed to improving the status of women and has had programs specifically addressing this concern since 1974.

Women's empowerment and participation is critical in each of USAID's priorities:

Economic growth. Some 800 million women participate in the labor force worldwide, and 70 percent of female workers live in developing countries. Increasing their productivity and earnings, through education, is key to sustained economic growth. Financial services for microentrepreneurs also has produced impressive results.

Democracy and governance. Women's limited role in civil society and their restricted legal rights must improve to ensure participation in democratic civil society. Activities in areas such as local government, women's legal literacy, and women's human rights are contributing toward these ends.

Population, health, and nutrition. Improving women's health (including reproductive health) and access to family planning has far-reaching effects on fertility, infant mortality, children's education, and population stabilization. USAID has made significant progress in each of these areas, particularly when activities have been linked with female education.

Environment. In their roles as farmers, workers, and entrepreneurs, and through their household responsibilities, women have an impact on management of the environment.

Humanitarian Assistance. Women are frequently, disproportionately represented in the recipients of disaster relief and among refugees. They are also key participants in emergency operations as care takers of children who are most vulnerable in such situations.

USAID continues to make progress in integrating women and gender concerns into policies, strategies, and programs. Agency staff are recognizing increasingly the need to

address the inverse relation between sustainable development and the low status of women. This has resulted in programs that address gender concerns across strategic objectives, with an effort to better integrate female participation in development efforts. The following examples illustrate some of the most recent efforts:

- USAID/Nepal has a strategic objective specifically targeting empowerment of women, thus highlighting the impact that the poor status of Nepali women has on the pace of development.
- USAID/Malawi provided funding to women's organizations to help in their lobbying for gender-inclusive language in the new Malawi constitution. As a result, Malawi's constitution better reflects the concerns of women, and women play a more integral role in the political arena.
- In El Salvador, over the past two years, USAID promoted women's participation in the country's postwar development and democratization process. For example, women are key participants in village banks, and land distribution and microenterprise lending programs. The program is promoting the expansion of women's legal rights and their participation in local governance and environmental education campaigns.
- USAID's Dairy Improvement Campaign in Albania increased the quality, quantity, and economic return for milk production through training for 3,800 women in 362 dairy groups between 1993 and 1995.

Participation and Partnership

Participation has been a fundamental principle guiding the implementation of our programs. It is one of the core values of reengineering and has been the subject of a special initiative by the Administrator since 1993. During the past year, a second initiative, the New Partnership Initiative, emphasizing participation with our development partners, has been added.

The new initiative underscores how important a robust civil society and intersociety linkages are to sustainable development. It stresses work at the local level to build sus-

tainable institutional capacity in three areas: NGO empowerment, small business partnership, and democratic local governance. At the national level it seeks to ensure a supportive policy, regulatory, and resource environment for private and community action. The New Partnership Initiative also seeks to establish an expanded notion of partnership—among groups at the local level, between groups and their U.S. counterparts, and between USAID and our development partners (see box 7.1).

Participant Training

Training—in-country, in the United States, and in third countries—is one of the most powerful sustainable development tools of the Agency. It plays a major role in virtually all strategic objectives. In the long run, USAID training and education are one of our most significant contributions to sustainable development and strong political and economic ties. The record is full of returned participants who have contributed to project goals or attained influential public and private sector positions. For example, in Indonesia, eight current cabinet ministers and nine directors/inspectors general received USAID training.

As part of the Agency's emphasis on reengineering during 1995, the Center for Human Capacity Development worked on re-inventing the way we develop human resources. We reduced and simplified policies and procedures as part of the streamlining of agency regulations. We made progress in addressing the thorny methodological issue of measuring impact of training mixed with other interventions. We mandated Action Plans for most participants, so stakeholders would articulate expected results. "Critical mass" training was shown to be a significant factor in assuring the sustainability of broader institution building. For example, in Senegal, three master's of public health graduates serving as technical advisors in the Ministry of Health form a core group implementing USAID's approach to population and family planning.

Participant training remains one of the largest investments of the Agency, with more than \$300 million in annual expenditures. A similar amount is spent on in-country training

or embedded in activities. More than 17,000 participants, nearly a third of whom were women, were in training programs in the United States in 1995, an increase of almost 12 percent over the previous year. The three leading fields of study for academic participants were: agriculture (28 percent), industry and engineering (25 percent), and business and public administration (24 percent). Non-academic participants were trained in business and public administration (34 percent), agriculture (17 percent) and health and family planning (11 percent). Fourteen percent were from Africa, 9 percent from Asia, 11 percent from the Near East, 21 percent from Latin America and the Caribbean, and 45 percent from Europe and the New Independent States (ENI). These figures reflect major shifts toward ENI (up 140 percent) from all other regions.

During 1995, we continued the trend away from long-term academic training toward short-term programs. High costs and shrinking training budgets militate against degree training for the "best and the brightest." Short-term programs are more targeted to specific results in programs' strategic frameworks, and in-country programs develop local training institutions. The ratio of long-term to short-term programs decreased to 25 percent in 1995, from 30 percent a year earlier. Considerable attention was given to increasing the number of women. Although the number of female participants increased, the proportion improved only a fraction to 32 percent. Because women with family responsibilities are more able to participate in programs closer to home, they often make up more than half of in-country groups.

We continue to see evidence, anecdotal and formal, of the results of earlier training investments. In the Caribbean and Latin American Scholarship Program, for example, where USAID has its most advanced data base on impact, data from nearly 1,700 returned participants show that 89 percent are currently employed, 67 percent are using their training, and 88 percent feel their training will be "useful" or "very useful" to their work/career/future. Three quarters are participating in volunteer activities and half indicate that they are participating "more" in the community since their U.S. training.

Nearly one third of returned trainees said they had been promoted since their return. One participant was promoted to director of operations at the Haitian Development Foundation and had a direct impact on a thousand small businesses through a microenterprise loan program. Returned participants from ENI (mainly national and sectoral leaders) are working at high levels as executives or government officials. Ninety-three percent are employed, half working in the private sector. Some participants have successfully applied their training to improve organizational performance.

State and local economies in the U.S. continue to benefit from the infusion of tuition, living allowances, and essential supplies spent by participants, who often return home and contract for U.S. goods and services. For example, after a small Missouri engineering company conducted an energy training program in 1995, two participants arranged for additional training and technical assistance from the company in their respective countries. The U.S. taxes these orders generated more than covered USAID's training costs.

Food Security

Food security is present when all people at all times have both physical and economic access to enough food to enable them to live healthy, productive lives. To some degree all of USAID's goals affect food security. Measuring food security presents special problems because it is most obvious only after people suffer malnutrition and disease due to lack of food. Preventing malnutrition and disease due to prolonged lack of food requires that programs reduce people's vulnerability by increasing their incomes, their food reserves, their food production capacity and strengthening their safety nets. Assessing the impact of our programs upon vulnerability is a measurement challenge that we are pursuing aggressively.

USAID seeks to reduce the threat to food security in emergency situations by working to predict and ameliorate emergencies, to provide relief supplies, and to speed the transition from emergency conditions to more stable conditions in which development

can thrive. These programs are covered in chapter six.

Programs that enhance the supply of food and access to that food through trade or increased production, increased incomes of the poor, and improved food processing and nutrition—all address chronic threats to food security. The results of these programs are discussed in chapters two and four.

Research

Continuous improvement and innovation (both of which require research) are integral parts of all USAID programs. The types of research supported by USAID are quite varied, ranging from behavioral research (family planning, farming techniques, HIV/AIDS) to technology development (diagnostic tools, drugs or vaccines, contraceptives, agricultural biotechnology. For any given Agency objective a mixed portfolio that prepares for the future and adapts approaches to immediate needs has the greatest effect on development.

USAID research has provided a high return on investment for both the United States and host countries. Some of these returns can be calculated easily. Seventy-four percent of U.S. rice acreage is planted in rice born of USAID-supported varieties. About \$500 million were invested in International Rice Research Institute breeding research from 1962-1994; the benefits over that time to the United States were about \$4 billion. Some returns do not require calculations to appreciate. The Seeds of Hope given to Rwandan farmers to plant after the civil war were made possible because of long-standing agricultural research efforts throughout Africa (see box 6.9). Studies of acute respiratory illness and diarrheal diseases led to the development of oral rehydration therapy. Other returns to investments are extremely surprising, and impossible to predict. A small grant to study cholera led to inexpensive and sensitive diagnostics (the expected outcome). Unexpectedly,

though, the same project found links between climate changes and cholera outbreaks. These climate changes are used now as a critical predictor for disaster assistance.

An important role for USAID is technical leadership. USAID-supported research is part of the reason that the United States is a global science and technology leader.

Research done in-country with in-country personnel is an inherently capacity-building activity. Among the critical predictors of whether a country can sustain its own development is whether it has the capacity to meet challenges as they arise. What problems will occur may not be predictable, but the fact that problems will occur is a given. Host country scientists and engineers are among those most likely to create solutions to a broad range of problems, especially (but not exclusively) local problems. And to harness potential commercial opportunities there must be a steady supply of trained people into academic, government, and industrial laboratories. Many researchers can be trained in regional research centers, but it is important that researchers are also available in country to address country-specific needs.

The country's commitment to capacity-strengthening is a critical predictor for sustainable development. Through research, education, and other means, USAID facilitated that commitment.

It is in our economic interest to develop markets for American goods and services. It is frequently necessary to adapt products to new markets, and for that scientists and engineers are needed in country. Since we are world leaders in science and technology we will likely remain emerging technology leaders, even if other countries begin to compete with us in older, more established, less profitable industries. Good trading partners enhance global financial stability, thus enhancing our standard of living.